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ABSTRACT

A National Institute of Education-sponsored, congressionally mandated project studied impact of the 1976 Education Amendments on services to special needs populations. It was concluded that states were making considerable progress in serving needs of the handicapped, disadvantaged, and limited English-proficient. Room for improvement was found in some issues regarding patterns of expenditures. They were distribution of handicapped and disadvantaged set-aside and Subpart 4 (special programs for the disadvantaged) funds, targeting of funds, state and local matching funds, and return of federal set-asides. In terms of delivering services to handicapped and disadvantaged students in vocational education, there were indications in sample states that local education agencies were becoming more systematic in definition, identification, and assessment of their needs. These problems remained: disregard for needs of limited English-proficient students, lack of involvement of vocational educators in the Individualized Education Program process, and little progress in implementing mainstreaming. Many sample state agencies were engaged in activities to support special needs populations. It was recommended that Congressional attention in reauthorization deliberations be focused on federal and state administrative roles, potential or actual conflicts with federal mainstreaming policy, and improvement of procedures for identifying and serving special needs populations. (YLB)

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THE ABT STUDY OF STATE AND LOCAL COMPLIANCE AND EVALUATION PRACTICE: SPECIAL NEEDS POPULATIONS

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THE ABT STUDY OF STATE AND LOCAL COMPLIANCE AND EVALUATION PRACTICES: SPECIAL NEEDS POPULATIONS

INTRODUCTION

The Vocational Education Act (VEA), as amended in 1976, includes a variety of provisions intended to promote equity in vocational education for several target populations. The emphasis on special populations began with a broad mandate in the 1963 Vocational Education Act (VEA) that vocational education respond to the special needs of students who have academic, economic, or other handicaps which prevent them from succeeding in regular programs of vocational education.

In 1968 Congress concluded that the broad mandate, which simply emphasized that special services were needed for these groups, was not having the impact it sought. Congress therefore amended the law to ensure that money was made available to remedy these concerns. Thus, the 1968 Amendments specified that a certain proportion of each state's VEA grant be set aside to serve each group and authorized special programs for the disadvantaged under a separate subpart.

Despite this added specificity, Congress remained dissatisfied with the size of expenditures for these populations, especially in regard to state and local contributions which, in many states, were negligible. The 1976 Amendments therefore retained the ten percent set-aside for handicapped students and the separate subpart for special programs for the disadvantaged. It also increased the set-aside for disadvantaged students from fifteen to twenty percent in addition to computing these percentages on the total state grant rather than simply a portion of it. The Amendments further specified that a portion of the disadvantaged set-aside be reserved for limited English-proficient students in proportion to their incidence in a state's population between the ages of fifteen and twenty-four.

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The regulations which were issued to implement the 1976 Amendments further emphasized the government's desire to increase state and local support of handicapped and disadvantaged students, ensured that federal dollars supplemented rather than supplanted state and local dollars, and specified that federal set-aside funds be applied toward the excess costs of providing additional services only.

The purpose of this paper is to report the major findings of the Abt Study regarding the impact of the 1976 Amendments on services to special needs populations. Specifically, this paper will discuss findings regarding patterns of expenditures of VEA set-asides for special populations and a number of service delivery issues.

PATTERNS OF EXPENDITURES

Clearly, the primary mechanism for giving priority to special needs populations in the 1976 Amendments is the targeting of funds through the handicapped and disadvantaged set-asides under Subparts 2 and 3 and the special programs for the disadvantaged under Subpart 4. In the course of this investigation, it was found that states are making considerable progress in serving the needs of the handicapped, disadvantaged and limited English-proficient. There remains room for improvement, however. This section will address some of these issues.

Distribution of Set-Aside and Subpart 4 Funds

Not surprising was the finding that the bulk of the set-asides and Subpart 4 monies in the sample states was distributed to local public educational institutions. In some states, however, all or some of the set-asides was used for statewide projects. Two states in the sample, for example, fund special needs consultants or itinerant teachers to provide technical assistance to local educators in working with the special needs populations. Other states fund research and dissemination projects through universities.

Many states also use the set-asides to fund programs in special schools. Eleven of the 15 sample states, for example, used a portion of their handicapped set-aside to fund various state and private institutions to provide vocational services for blind, deaf, retarded and other handicapped students. In two states a majority of the funds go to support these programs. Nine of our sample states used a portion of their disadvantaged set-aside to provide grants for vocational advocates in correctional institutions and sheltered environments. One sample state used its Subpart 4 funds for vocational training in correctional institutions.

Targeting of Funds

The data indicate that even with all this variety, many states tend to use their set-asides predominantly at one level of education. As shown in Table I, four of the six states for which data were available spent more than 85 percent of the handicapped set-aside monies at one level. An equal number of states spent at least 75 percent of the disadvantaged set-aside monies at one level. Those states which favored secondary or postsecondary institutions with higher levels of funding in one category (e.g., the handicapped set-aside) were consistent in favoring them with higher levels of funding from other categories as well. Across states, however, there was no consistent pattern of secondary predominating over postsecondary or vice versa.

Site visits suggest two reasons for these spending patterns. One is that the funds are targeted to reflect the state administrative agency's primary orientation to one level of education over another. A second reason for targeting is administrative ease. Apparently, excess costs and matching requirements are more easily accommodated within the delivery and accounting systems of one level rather than another in some states.

Given that the Act requires targeting of funds to both needy students and needy institutions, analyses of available data were performed to determine the degree to which federal handicapped and disadvantaged funds were targeted to local agencies. Table 2 presents these data.

Table 1

PERCENT OF HANDICAPPED AND DISADVANTAGED FUNDS BY LEVEL OF EDUCATION FROM VEA FUNDS - SET-ASIDES AND SUBPART 4*

	Handicapped Set-Aside		Disadvantaged Set-Aside		Subpart 4: Special Disadvantaged	
	Secondary	Postsecondary	Secondary	Postsecondary	Secondary	Postsecondary
Alabama			100	0	100	0
California					50	50
Colorado					69	31
Florida	87	13	64	36	40	60
Indiana					100	0
Kentucky					21	79
New Hampshire	100	0	100	0	52	48
New Mexico	0	100	0	100	0	100
Oregon	43	57	38	62	58	42
Pennsylvania	64	36	68	32	100	0
Wisconsin	10	90	21	79	49	51

*Empty cells indicate that data were not available for that breakdown; sample states with data for none of these breakdowns are not included.

Source: 1978 Accountability Reports.

Table 2

PERCENT OF LOCAL ELIGIBLE RECIPIENTS RECEIVING FUNDING FOR THE HANDICAPPED AND DISADVANTAGED FROM VEA FUNDS - SET-ASIDES AND SUBPART 4*

	Handicapped Set-Aside			Disadvantaged Set-Aside			Subpart 4: Special Disadvantaged			OER Funded
	Secondary	Adult and Postsecondary	Total	Secondary	Adult and Postsecondary	Total	Secondary	Adult and Postsecondary	Total	
California	70	100	81	90	100	65	20	41	23	
Colorado							4	13	6	Yes
Florida	49	29	39	73	60	66	32	21	21	Yes
Illinois							7	23	9	Yes
Indiana			26			26			4	Yes
Kentucky									6	Yes
New Hampshire	76	0	70	81	14	63	7	0	6	Yes
New Mexico	0	25		0	25		7	13		Yes
New York							3	0	3	
Oklahoma										
Oregon	10	85	32	30	91	25				
Pennsylvania	13	11	13	32	32	32	3		3	Yes
Texas							<1	9	01	Yes
Wisconsin		100			100			100		Yes

*Empty cells indicate that data were not available for that breakdown; sample states with data for none of these breakdowns are not included.

In most sample states, Subpart 4 funds went to a relatively small number of institutions and evidenced considerable targeting. The percentage of eligible institutions receiving Subpart 4 funds ranged from less than 1 percent to 23 percent. There was generally less targeting of set-aside funds to eligible institutions with several sample states distributing funds to a majority of local agencies. For these funds the range was 11 percent to 100 percent of eligible institutions receiving federal funding.

Table 3

MEAN PROJECT ALLOCATION TO LOCAL INSTITUTIONS AND PER-PUPIL COST FROM VEA FUNDS: SET-ASIDES AND SUBPART 4*

	Handicapped Set-Aside		Disadvantaged Set-Aside		Subpart 4: Special Disadvantaged	
	Mean Allocation	Mean Per-pupil Cost	Mean Allocation	Mean Per-pupil Cost	Mean Allocation	Mean Per-pupil Cost
California	11,519	191	38,489	49	29,845	173
Colorado					39,978	797
Florida	30,293	113	34,080	52		
Illinois					15,811	365
Indiana	10,770	360	31,782	132	36,782	282
Kentucky					9,450	145
New Hampshire	6,586	99	7,938	65	9,237	204
New Mexico	33,134	612	104,718	120	36,625	506
New York	239,586		589,222	52	488,262	191
Oregon	10,024	199	19,450	67		
Texas					33,013	50

*Empty cells indicate that data were not available for that breakdown; sample states with data for none of these breakdowns are not included.

Source: 1978 Accountability Reports.

Although the Act does not require targeting of funds at a specific per-pupil expenditure level, this seemed to be an important question to try to answer given the assumption that low levels of funding will probably have limited impact. Table 3 presents data which show the pattern of higher average grants and average per-pupil expenditures for Subpart 4 than for the set-asides. This finding is consistent with requirements for greater targeting of funds under Subpart 4 and might be expected given that Subpart 4 monies can be used to fund 100 percent of the program costs.

While the above noted trends and comparisons among categories of funding is interesting, large variation among states in average per-pupil allocations within categories is also noteworthy. Expenditures under the handicapped set-aside, for example, ranged from $99 to $512 per pupil. Such variation in expenditures suggests that funds earmarked for special needs populations are being used to support widely differing levels and/or types of services. Interviews with state and local administrators confirmed this conclusion.

State and Local Matching Funds Increased

A major Congressional concern in drafting the 1976 Amendments was the low, and in some cases declining, rate at which the federal set-aside funds were matched by state and local dollars in FY 1973. An anlysis of Bureau of Occupational and Adult Education (BOAE) data for FY 1978 shows that the set-asides were still matched at a rate considerably lower than that for the VEA grant overall. On the positive side, however, matching ratios for the set-asides appear to be improving. Nationwide, state and local monies matching the federal set-asides were considerably higher in FY 1978 than in FY 1973.* Also, state and local vocational administrators interviewed indicate that the expenditures they report to BOAE to satisfy the federal matching requirements by no means reflect all of the state and local spending for handicapped and disadvantaged students in vocational education.

Return of Federal Set-Asides

As early as 1979, it became clear that states were experiencing difficulty complying with the law and regulations and that federal set-aside would be returned to the Treasury. Congress took steps at that time to

* The GAO report indicated that in 1973 states were matching federal funds for the handicapped at the rates of $1.10 to $1.00, the disadvantaged at the rates of $2.19 to $1.00 compared to an overall state to federal match of $5.93 to $1.00. In 1978 these ratios were $4.07 to $1.00, $5.34 to $1.00 and $12.27 to $1.00 respectively.

ameliorate these by permitting BOAE to approve waivers of matching provisions. The FY 1978 expenditure data show that, in fact, no state in our sample spent all of its set-asides during that fiscal year. However, in roughly half of the states, the carryover for the set-asides was no greater than the carryover for the VEA grant overall. This suggests that, in these states, the proportion of funds not spent reflect general administrative practices rather than problems unique to serving handicapped and disadvantaged students. In the remaining states, however, the carryover for the set-asides was larger than that for the total VEA grant, indicating that there may be special difficulties in these states. Whether the difficulty was short term or more permanent remains to be seen. Judging from interview data, however, major problems appear to be the result of rapid fiscal shifts and will resolve themselves over time.

Concerns of State and Local Administrators

The major concerns voiced by vocational educators in relation to the set-asides have to do with excess cost and matching requirements. Administrators in most sample states reported difficulties in documenting excess costs expenditures and in generating the state or local match for those costs. For many administrators these requirements (together with the funds distribution procedures) pose two of the largest problems of any in the 1976 Amendments. This was true even in some of the states which spent a relatively high proportion of their set-aside funds.

A number of schools in some states simply do not claim reimbursement under the set-asides because local administrators fear having costs disallowed in an audit and believe that the cost to document their expenditures would exceed the federal funding they might receive. Other districts use the set-asides, but for very safe and often uncreative purposes. Most states appear to be increasing their efforts to resolve these problems. Not only are they increasing the pressure on local districts to spend these monies, but they are providing technical assistance to local districts in defining and documenting costs and in identifying state programs that can be used as a match. Still, there is a long way to go.

Some states in our sample have been more "creative" in generating a state match without over burdening local school districts. For example, several states give part of their set-aside allocation to special state-supported schools for the deaf, blind, or mentally retarded. These states also fund vocational programs for inmates in state prisons. It is easy in this situation, to generate a very large over-match with a small amount of federal VEA funds. In fact, one state was able to generate almost all of its required state and local match by allocating funds for a state-supported inmate training program.

A final "concern" among state administrators focused on the requirement that federal handicapped and disadvantaged funds be distributed among eligible recipients by formula.* This procedure, they argued, results in allocations too small to be of use to local districts and in the distribution of funds to local agencies which do not want the funds and therefore return them unspent. However, an analysis of various distribution procedures, e.g., formula vs projects indicated that, distributing monies by formula rather than by a project method was not consistently associated with a lower level of spending of the set-asides or Subpart 4 funds.

SERVICE DELIVERY ISSUES

In addition to setting aside vocational education funds for special needs populations, the 1976 Educational Amendments contain several provisions which address the actual delivery of services to special populations. Among these are:

- o legislatively imposed definitions of handicapped, disadvantaged, and limited English-speaking students;
- o requirements for coordination between special education and vocational education; and,
- o provisions that special needs students be served wherever possible in regular vocational education programs.

* While this has never been a "requirement" in the sense of being an official regulation on legislative provision, it has been the position of BOAE to encourage states to distribute all funds to local education agencies by the formula method. Indeed, many states believe they must do so.

By including these provisions, Congress expressed its concern over both the amount of funds flowing to special programs and the types and adequacy of services being provided these groups.

States Becoming More Systematic

In terms of delivering services to handicapped and disadvantaged students in vocational education, there are some indications in the sample states that local education agencies, particularly at the secondary level, are becoming more systematic in the definition, identification, and assessment of needs of these populations. The 1976 Amendments in conjunction with the Education of the Handicapped Act (P.L. 94-142) is having a major impact on the way both physically and mentally handicapped students are served. In many schools the IEP process is the basis for identifying and addressing the needs of these students.

As might be expected, at the postsecondary level Section 504*is a more salient force in directing local activities regarding the handicapped. Postsecondary energies for handicapped students tend to focus on modifying facilities to provide access for physically handicapped students. To the extent that postsecondary institutions do serve handicapped students other than those with physical handicaps, their identification and assessment of needs appears to be less systematic than at the secondary level. This may be due entirely to the impact of P.L. 94-142.

The procedures for identifying disadvantaged students and assessing their needs at both the secondary and postsecondary levels are more variable than those for secondary handicapped students. Some districts identify disadvantaged students through standardized achievement or diagnostic tests given regularly to all students in the school; other districts rely on referrals from individual teachers of students who need additional assistance. Most states sampled emphasized the academic definition to the exclusion of the economic definition of disadvantage.

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*The Rehabilitation Act of 1973, Section 504.

Some Progress Despite Problems

Despite the apparent progress in defining, identifying and assessing the needs of special populations in vocational education, problems remain. The needs of limited English-proficient students apparently are not being systematically assessed in all sample states. Some state agencies are conducting needs assessments and beginning to plan for this group, but few programs are operational. Other states appear to be doing virtually nothing for these students.

Problems also exist in serving handicapped students. In many districts, the involvement of vocational educators in the IEP process has not been resolved. Problems were also evident in communicating information regarding special students from "home" schools to area vocational schools. A number of state agencies in our sample, however, have begun to address these problems by working with the division of special education, and in some cases the division of vocational rehabilitation, to issue policies which clarify the roles and responsibilities of the different groups working with the handicapped.

State and local vocational administrators sampled reported three areas of progress in increasing the proportion of special needs students served in regular vocational programs rather than in separate classes. First, state administrators commented that local education agencies are using fewer VEA funds to sponsor separate programs than was previously the case. However, no independent evidence exists (e.g., analyses of enrollments or types of programs funded by VEA) to either support or counter these reports. Second, no mention was made of states or local districts avoiding mainstreaming because separate programs may be reimbursed at a higher rate--up to one-half the full cost of programs, rather than one-half the cost of only the additional services provided in a regular program. In fact, respondents insisted that separate vocational programs were used only for severely handicapped students. Finally, interviews indicated that disadvantaged and physically handicapped students are more apt to be

mainstreamed than mentally handicapped students. A common approach to serving mentally handicapped students who have received their academic instruction in separate classes was to begin their vocational education in a transitional class. These students intially take an exploratory vocational course in a class with only other handicapped students. Then, if students do well in one occupational area, they are transferred to a regular class in that program. However, some less able students remain in a separate program for the duration of their education.

State Agency Activities

At the state level, many sample state agencies engage in a variety of state activities to support special needs populations. All sample states had at least one staff member whose major responsibility included oversight of programs for one or more of the special needs populations. In roughly half the states, these staff members appear to be primarily oriented to administering VEA funds. In the other half, however, the staff place greater emphasis on program issues. These included, for example, coordinating training and materials development, providing technical assistance, and working with other state agencies to issue policies and sponsor programs for these populations. The staff in this second group appear to more actively promote the interests of the special needs students than the staff in the first group, and their efforts appear to provide an important source of support in meeting the needs of special populations.

Two approaches to providing training and technical assistance to local districts to assist them in serving special needs populations in vocational education were taken by state agencies. Services were usually provided either through colleges and universities or directly by state staff and state-hired consultants. College-based training consisted of extended courses, while assistance provided by state staff was more frequently short-term workshops, conferences, professional meetings, or on-site visits to individual schools. Through these forums, the

state offers awareness training, disseminates policies and curriculum materials, assists districts in administering VEA funds and, in some cases, conducts on-site program reviews.

Coordinating with other state agencies which deal with special needs populations was a frequent state activity, as well. These efforts of state staff focused most frequently on programs for handicapped students. Examples of joint activities with special education and vocational rehabilitation included both formal, written interagency agreements which clearly define roles and responsibilities and more informal working relationships.

RECOMMENDATIONS

The handicapped and disadvantaged set-asides and the Subpart 4 funds are clearly meeting the Congressional intent of targeting VEA funds to these populations and should be retained. Several state administrators reported that without the mandated set-asides they would probably continue to serve handicapped and disadvantaged students, but not at the high level that the current legislation requires.

The impact of the excess cost and matching requirements which accompany the set-asides is less clear. From this study, it was not possible to determine the extent to which the difficulties cited by administrators are inherent in federal requirements, and therefore lasting, or were simply functions of inexperinece in dealing with these concepts. The latter appears to be the case but only further study will answer the question for sure. On the assumption that the difficulties which the states currently face will diminish as they gain experience in these areas, it is recommended that the excess cost and matching requirements be retained.

In connection with excess cost provisions of the Act, we recommend congressional revision of the present policy of allowing districts to apply federal reimbursement to the full costs of separate programs for

special needs students while only applying federal funds to the excess costs of mainstreamed programs. While no one spoke of this policy as a barrier to mainstreaming, it appears to be in conflict with the general thrust of P.L. 94-142. Congress might alter present policy, for example, by supporting separate programs only for the costs above the per-pupil costs in the district of providing vocational education to non-handicapped and non-disadvantaged students.

Finally, given limited staffing OVAE should be encouraged to give priority to providing states increased technical assistance on excess cost and matching of federal funds. It is apparent that states are unclear about legislative intent and have received little guidance on the matter. OVAE should also be encouraged to monitor the effectiveness of the revised matching requirements to determine whether its procedures for seeking a waiver are so restrictive that states do not take advantage of the new requirements.

Since many policy questions will be unanswered by this study, Congress should monitor the set-aside expenditures to determine whether states are indeed mastering the excess cost and matching requirements, or whether those requirements serve as disincentives to the use of federal funds.

Only minor changes are recommended in the service delivery provisions. In terms of the handicapped, the reliance on the P.L. 94-142 process is useful and appropriate. There is little justification for creating a new assessment and identification process just for vocational education. There is, however, a need to clarify the involvement of vocational education in the special education needs assessment and planning process. The present process simply does not include persons knowledgeable of skill requirements for vocational programs. Congress should consider adding language to either the Vocational Education Act or to the Handicapped Act to ensure the involvement of vocational educators in the development of plans for handicapped students assigned to vocational education.

While there exists no standard procedure for identifying and assessing the needs of disadvantaged students, local education agencies should be encouraged to develop systematic procedures. To support the emphasis on developing systematic local processes, however, local education agencies should be required to describe their approach to identifying and serving these students in their local application or plan for federal funding.

If Congress wishes to continue its emphasis on limited English-speaking students in vocational education, additional technical assistance should be provided to states in developing strategies for identifying and serving this population. Present efforts appear sporadic and lacking in both identification procedures and assessment of needs.

In terms of state activities for special needs populations, it is recommended that each state be required to develop a plan detailing those activities state staff are going to perform in the areas of training and technical assistance, coordination with other state agencies, and monitoring local activities. Such a plan would be comparable to the one currently required for sex equity and is consistent with the earlier recommendation of re-casting the state plan as a master plan of state agency activities. This recommendation is based on the premise that state staff perform critical functions in delivering services to special needs populations.

In summary, current provisions of the law appear to be working relatively well. No major changes are recommended at this time since states are successfully coping with the new provisions. Congressional attention should be focused on fine-tuning the legislation in a few areas including federal and state administrative roles, potential or actual conflicts with federal mainstreaming policy and improvement of procedures for identifying and serving the handicapped, disadvantaged and limited English-speaking.